

Karl Marx

## Capital Volume One

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### Part VII: The Accumulation of Capital

Chapters 23 and 24 (parts 1, 2 & 3 + pt. 4), 1867

# Simple Reproduction



## Part VII: The Accumulation of Capital

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### Chapter Twenty-Three

## Simple Reproduction

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The conversion of a sum of money into means of production and labour-power, is the first step taken by the quantum of value that is going to function as capital. This conversion takes place in the market, within the sphere of circulation. The second step, the process of production, is complete so soon as the means of production have been converted into commodities whose value exceeds that of their component parts, and, therefore, contains the capital originally advanced, plus a surplus-value. These commodities must then be thrown into circulation. They must be sold, their value realised in money, this money afresh converted into capital, and so over and over again. This circular movement, in which the same phases are continually gone through in succession, forms the circulation of capital.

The first condition of accumulation is that the capitalist must have contrived to sell his commodities, and to reconvert into capital the greater part of the money so received. In the following pages we shall assume that capital circulates in its normal way. The detailed analysis of the process will be found in Book II.

The capitalist who produces surplus-value — *i.e.*, who extracts unpaid labour directly from the labourers, and fixes it in commodities, is, indeed, the first appropriator, but by no means the ultimate owner, of this surplus-value. He has to share it with capitalists, with landowners, &c., who fulfil other functions in the complex of social production. Surplus-value, therefore, splits up into various parts. Its fragments fall to various categories of persons, and take various forms, independent the one of the other, such as profit, interest, merchants' profit, rent, &c. It is only in Book III that we can take in hand these modified forms of surplus-value.

On the one hand, then, we assume that the capitalist sells at their value the commodities he has produced, without concerning ourselves either about the new forms that capital assumes while in the sphere of circulation, or about the concrete conditions of reproduction hidden under these forms. On the other hand, we treat the capitalist producer as owner of the entire surplus-value, or, better perhaps, as the representative of all the sharers with him in the booty. We, therefore, first of all consider accumulation from an abstract point of view — *i.e.*, as a mere phase in the actual process of production.

So far as accumulation takes place, the capitalist must have succeeded in selling his commodities, and in reconvertng the sale-money into capital. Moreover, the breaking-up of surplus-value into fragments neither alters its nature nor the conditions under which it becomes an element of accumulation. Whatever be the proportion of surplus-value which the industrial capitalist retains for himself, or yields up to others, he is the one who, in the first instance, appropriates it. We, therefore, assume no more than what actually takes place. On the other hand, the simple fundamental form of the process of accumulation is obscured by the incident of the circulation which brings it about, and by the splitting up of surplus-value. An exact analysis of the process, therefore, demands that we should, for a time, disregard all phenomena that hide the pith of its inner mechanism.

Whatever the form of the process of production in a society, it must be a continuous process, must continue to go periodically through the same phases. A society can no more cease to produce than it can cease to consume. When viewed, therefore, as a connected whole, and as flowing on with incessant renewal, every social process of production is, at the same time, a process of reproduction.

The conditions of production are also those of reproduction. No society can go on producing, in other words, no society can reproduce, unless it constantly reconverts a part of its products into means of production, or elements of fresh products. All other circumstances remaining the same, the only mode by which it can reproduce its wealth, and maintain it at one level, is by replacing the means of production — *i.e.*, the instruments of labour, the raw material, and the auxiliary substances consumed in the course of the year by an equal quantity of the same kind of articles; these must be separated from the mass of the yearly products, and thrown afresh into the process of production. Hence, a definite portion of each year's product belongs to the domain of production. Destined for productive consumption from the very first, this portion exists, for the most part, in the shape of articles totally unfitted for individual consumption.

If production be capitalistic in form, so, too, will be reproduction. Just as in the former the labour-process figures but as a means towards the self-expansion of capital, so in the latter it figures but as a means of reproducing as capital — *i.e.*, as self-expanding value — the value advanced. It is only because his money constantly functions as capital that the economic guise of a capitalist attaches to a man. If, for instance, a sum of £100 has this year been converted into capital. and produced a surplus-value of £20, it must continue during next year, and subsequent years, to repeat the same operation. As a periodic increment of the capital advanced, or periodic fruit of capital in process, surplus-value acquires the form of a revenue flowing out of capital. [1]

If this revenue serve the capitalist only as a fund to provide for his consumption, and be spent as periodically as it is gained, then, *caeteris paribus*, simple reproduction will take place. And although this reproduction is a mere repetition of the process of production on the old scale, yet this mere repetition, or continuity, gives a new character to the process, or, rather, causes the disappearance of some apparent characteristics which it possessed as an isolated discontinuous process.

The purchase of labour-power for a fixed period is the prelude to the process of production; and this prelude is constantly repeated when the stipulated term comes to an end, when a definite period of production, such as a week or a month, has elapsed. But the labourer is not paid until after he has expended his labour-power, and realised in commodities not only its value, but surplus-value. He has, therefore, produced not only surplus-value, which we for the present regard as a fund to meet the private consumption of the capitalist, but he has also produced, before it flows back to him in the shape of wages, the fund out of which he himself is paid, the variable capital; and his employment lasts only so long as he continues to reproduce this fund. Hence, that formula of the economists, referred to in Chapter XVIII,, which represents wages as a share in the product itself. [2] What flows back to the labourer in the shape of wages is a portion of the product that is continuously reproduced by him. The capitalist, it is true, pays him in money, but this money is merely the transmuted form of the product of his labour. While he is converting a-portion of the means of production into products, a portion of his former product is being turned into money. It is his labour of last week, or of last year, that pays for his labour-power this week or this year. The illusion begotten by the intervention of money vanishes immediately, if, instead of taking a single capitalist and a single labourer, we take the class of capitalists and the class of labourers as a whole. The capitalist class is constantly giving to the labouring class order-notes, in the form of money, on a portion of the commodities produced by the latter and appropriated by the former. The labourers give these order-notes back just as constantly to the capitalist class, and in this way get their share of their

own product. The transaction is veiled by the commodity-form of the product and the money-form of the commodity.

Variable capital is therefore only a particular historical form of appearance of the fund for providing the necessities of life, or the labour-fund which the labourer requires for the maintenance of himself and family, and which, whatever be the system of social production, he must himself produce and reproduce. If the labour-fund constantly flows to him in the form of money that pays for his labour, it is because the product he has created moves constantly away from him in the form of capital. But all this does not alter the fact, that it is the labourer's own labour, realised in a product, which is advanced to him by the capitalist. [3] Let us take a peasant liable to do compulsory service for his lord. He works on his own land, with his own means of production, for, say, 3 days a week. The 3 other days he does forced work on the lord's domain. He constantly reproduces his own labour-fund, which never, in his case, takes the form of a money payment for his labour, advanced by another person. But in return, his unpaid forced labour for the lord, on its side, never acquires the character of voluntary paid labour. If one fine morning the lord appropriates to himself the land, the cattle, the seed, in a word, the means of production of this peasant, the latter will thenceforth be obliged to sell his labour-power to the lord. He will, *ceteris paribus*, labour 6 days a week as before, 3 for himself, 3 for his lord, who thenceforth becomes a wages-paying capitalist. As before, he will use up the means of production as means of production, and transfer their value to the product. As before, a definite portion of the product will be devoted to reproduction. But from the moment that the forced labour is changed into wage-labour. from that moment the labour-fund, which the peasant himself continues as before to produce and reproduce, takes the form of a capital advanced in the form of wages by the lord. The bourgeois economist whose narrow mind is unable to separate the form of appearance from the thing that appears, shuts his eyes to the fact, that it is but here and there on the face of the earth, that even now-a-days the labour-fund crops up in the form of capital. [4]

Variable capital, it is true, only then loses its character of a value advanced out of the capitalist's funds, [5] when we view the process of capitalist production in the flow of its constant renewal. But that process must have had a beginning of some kind. From our present standpoint it therefore seems likely that the capitalist, once upon a time, became possessed of money, by some accumulation that took place independently of the unpaid labour of others, and that this was, therefore, how he was enabled to frequent the market as a buyer of labour-power. However this may be, the mere continuity of the process, the simple reproduction, brings about some other wonderful changes, which affect not only the variable, but the total capital.

If a capital of £1,000 beget yearly a surplus-value of £200, and if this surplus-value be consumed every year, it is clear that at the end of 5 years the surplus-value consumed will amount to  $5 \times £200$  or the £1,000 originally advanced. If only a part, say one half, were consumed, the same result would follow at the end of 10 years, since  $10 \times £100 = £1,000$ . General Rule: The value of the capital advanced divided by the surplus-value annually consumed, gives the number of years, or reproduction periods, at the expiration of which the capital originally advanced has been consumed by the capitalist and has disappeared. The capitalist thinks, that he is consuming the produce of the unpaid labour of others, *i.e.*, the surplus-value, and is keeping intact his original capital; but what he thinks cannot alter facts. After the lapse of a certain number of years, the capital value he then possesses is equal to the sum total of the surplus-value appropriated by him during those years, and the total value he has consumed is equal to that of his original capital. It is true, he has in hand a capital whose amount has not changed, and of which a part, *viz.*, the buildings, machinery, &c., were already there when the work of his business began. But what we have to do with here, is not the material elements, but the value, of that capital. When a person gets through all his property, by taking upon himself debts equal to the value of that property, it is clear that his property represents nothing but the sum total of his debts. And so it is with the capitalist; when he has consumed the equivalent of his original capital, the value of his present capital represents nothing but the total amount of the surplus-value appropriated by him without payment. Not a single atom of the value of his old capital continues to exist.

Apart then from all accumulation, the mere continuity of the process of production, in other words simple reproduction, sooner or later, and of necessity, converts every capital into accumulated capital, or capitalised surplus-value. Even if that capital was originally acquired by the personal labour of its employer, it sooner or later becomes value appropriated without an equivalent, the unpaid labour of others materialised either in money or in some other object. We saw in Chapt. IV.-VI. that in order to convert money into capital something more is required than the production and circulation of commodities. We saw that on the one side the possessor of value or money, on the other, the possessor of the value-creating substance; on the one side, the possessor of the means of production and subsistence, on the other, the possessor of nothing but labour-power, must confront one another as buyer and seller. The separation of labour from its product, of subjective labour-power from the objective conditions of labour, was therefore the real foundation in fact, and the starting-point of capitalist production.

But that which at first was but a starting-point, becomes, by the mere continuity of the process, by simple reproduction, the peculiar result, constantly renewed and perpetuated, of capitalist production. On the one hand, the process of production

incessantly converts material wealth into capital, into means of creating more wealth and means of enjoyment for the capitalist. On the other hand, the labourer, on quitting the process, is what he was on entering it, a source of wealth, but devoid of all means of making that wealth his own. Since, before entering on the process, his own labour has already been alienated from himself by the sale of his labour-power, has been appropriated by the capitalist and incorporated with capital, it must, during the process, be realised in a product that does not belong to him. Since the process of production is also the process by which the capitalist consumes labour-power, the product of the labourer is incessantly converted, not only into commodities, but into capital, into value that sucks up the value-creating power, into means of subsistence that buy the person of the labourer, into means of production that command the producers. [6] The labourer therefore constantly produces material, objective wealth, but in the form of capital, of an alien power that dominates and exploits him: and the capitalist as constantly produces labour-power, but in the form of a subjective source of wealth, separated from the objects in and by which it can alone be realised; in short he produces the labourer, but as a wage-labourer. [7] This incessant reproduction, this perpetuation of the labourer, is the sine qua non of capitalist production.

The labourer consumes in a two-fold way. While producing he consumes by his labour the means of production, and converts them into products with a higher value than that of the capital advanced. This is his productive consumption. It is at the same time consumption of his labour-power by the capitalist who bought it. On the other hand, the labourer turns the money paid to him for his labour-power, into means of subsistence: this is his individual consumption. The labourer's productive consumption, and his individual consumption, are therefore totally distinct. In the former, he acts as the motive power of capital, and belongs to the capitalist. In the latter, he belongs to himself, and performs his necessary vital functions outside the process of production. The result of the one is, that the capitalist lives; of the other, that the labourer lives.

When treating of the working-day, we saw that the labourer is often compelled to make his individual consumption a mere incident of production. In such a case, he supplies himself with necessaries in order to maintain his labour-power, just as coal and water are supplied to the steam-engine and oil to the wheel. His means of consumption, in that case, are the mere means of consumption required by a means of production; his individual consumption is directly productive consumption. This, however, appears to be an abuse not essentially appertaining to capitalist production. [8]

The matter takes quite another aspect, when we contemplate, not the single capitalist, and the single labourer, but the capitalist class and the labouring class,

not an isolated process of production, but capitalist production in full swing, and on its actual social scale. By converting part of his capital into labour-power, the capitalist augments the value of his entire capital. He kills two birds with one stone. He profits, not only by what he receives from but by what he gives to, the labourer. The capital given in exchange for labour-power is converted into necessities, by the consumption of which the muscles, nerves, bones, and brains of existing labourers are reproduced, and new labourers are begotten. Within the limits of what is strictly necessary, the individual consumption of the working-class is, therefore, the reconversion of the means of subsistence given by capital in exchange for labour-power, into fresh labour-power at the disposal of capital for exploitation. It is the production and reproduction of that means of production so indispensable to the capitalist: the labourer himself. The individual consumption of the labourer, whether it proceed within the workshop or outside it, whether it be part of the process of production or not, forms therefore a factor of the production and reproduction of capital; just as cleaning machinery does, whether it be done while the machinery is working or while it is standing. The fact that the labourer consumes his means of subsistence for his own purposes, and not to please the capitalist, has no bearing on the matter. The consumption of food by a beast of burden is none the less a necessary factor in the process of production, because the beast enjoys what it eats. The maintenance and reproduction of the working-class is, and must ever be, a necessary condition to the reproduction of capital. But the capitalist may safely leave its fulfilment to the labourer's instincts of self-preservation and of propagation. All the capitalist cares for, is to reduce the labourer's individual consumption as far as possible to what is strictly necessary, and he is far away from imitating those brutal South Americans, who force their labourers to take the more substantial, rather than the less substantial, kind of food. [9]

Hence both the capitalist and his ideological representative, the political economist, consider that part alone of the labourer's individual consumption to be productive, which is requisite for the perpetuation of the class, and which therefore must take place in order that the capitalist may have labour-power to consume; what the labourer consumes for his own pleasure beyond that part, is unproductive consumption. [10] If the accumulation of capital were to cause a rise of wages and an increase in the labourer's consumption, unaccompanied by increase in the consumption of labour-power by capital, the additional capital would be consumed unproductively. [11] In reality, the individual consumption of the labourer is unproductive as regards himself, for it reproduces nothing but the needy individual; it is productive to the capitalist and to the State, since it is the production of the power that creates their wealth. [12]



From a social point of view, therefore, the working-class, even when not directly engaged in the labour-process, is just as much an appendage of capital as the ordinary instruments of labour. Even its individual consumption is, within certain limits, a mere factor in the process of production. That process, however, takes good care to prevent these self-conscious instruments from leaving it in the lurch, for it removes their product, as fast as it is made, from their pole to the opposite pole of capital. Individual consumption provides, on the one hand, the means for their maintenance and reproduction: on the other hand, it secures by the annihilation of the necessities of life, the continued re-appearance of the workman in the labour-market. The Roman slave was held by fetters: the wage-labourer is bound to his owner by invisible threads. The appearance of independence is kept up by means of a constant change of employers, and by the fictio juris of a contract.

In former times, capital resorted to legislation, whenever necessary, to enforce its proprietary rights over the free labourer. For instance, down to 1815, the emigration of mechanics employed in machine making was, in England, forbidden, under grievous pains and penalties.

The reproduction of the working-class carries with it the accumulation of skill, that is handed down from one generation to another. [13] To what extent the capitalist reckons the existence of such a skilled class among the factors of production that belong to him by right, and to what extent he actually regards it as the reality of his variable capital, is seen so soon as a crisis threatens him with its loss. In consequence of the civil war in the United States and of the accompanying cotton famine, the majority of the cotton operatives in Lancashire were, as is well known, thrown out of work. Both from the working-class itself, and from other ranks of society, there arose a cry for State aid, or for voluntary national subscriptions, in order to enable the "superfluous" hands to emigrate to the colonies or to the United States. Thereupon, *The Times* published on the 24th March, 1863, a letter from Edmund Potter, a former president of the Manchester Chamber of Commerce. This letter was rightly called in the House of Commons, the manufacturers' manifesto. [14] We cull here a few characteristic passages, in which the proprietary rights of capital over labour-power are unblushingly asserted.

"He" (the man out of work) "may be told the supply of cotton-workers is too large ... and ... must ... in fact be reduced by a third, perhaps, and that then there will be a healthy demand for the remaining two-thirds.... Public opinion... urges emigration.... The master cannot willingly see his labour supply being removed; he may think, and perhaps justly, that it is both wrong and unsound.... But if the public funds are to be devoted to assist emigration, he has a right to be heard, and perhaps to protest." Mr. Potter then shows how useful the cotton trade is, how the "trade has undoubtedly drawn the surplus-population from Ireland and from the

agricultural districts," how immense is its extent, how in the year 1860 it yielded 5/13ths of the total English exports, how, after a few years, it will again expand by the extension of the market, particularly of the Indian market, and by calling forth a plentiful supply of cotton at 6d. per lb. He then continues: "Some time ..., one, two, or three years, it may be, will produce the quantity.... The question I would put then is this — Is the trade worth retaining? Is it worth while to keep the machinery (he means the living labour machines) in order, and is it not the greatest folly to think of parting with that? I think it is. I allow that the workers are not a property, not the property of Lancashire and the masters; but they are the strength of both; they are the mental and trained power which cannot be replaced for a generation; the mere machinery which they work might much of it be beneficially replaced, nay improved, in a twelvemonth [15] Encourage or allow (!) the working-power to emigrate, and what of the capitalist?... Take away the cream of the workers, and fixed capital will depreciate in a great degree, and the floating will not subject itself to a struggle with the short supply of inferior labour.... We are told the workers wish it" (emigration). "Very natural it is that they should do so.... Reduce, compress the cotton trade by taking away its working power and reducing their wages expenditure, say one-fifth, or five millions, and what then would happen to the class above, the small shopkeepers; and what of the rents, the cottage rents.... Trace out the effects upwards to the small farmer, the better householder, and ... the landowner, and say if there could be any suggestion more suicidal to all classes of the country than by enfeebling a nation by exporting the best of its manufacturing population, and destroying the value of some of its most productive capital and enrichment .... I advise a loan (of five or six millions sterling), ... extending it may be over two or three years, administered by special commissioners added to the Boards of Guardians in the cotton districts, under special legislative regulations, enforcing some occupation or labour, as a means of keeping up at least the moral standard of the recipients of the loan... can anything be worse for landowners or masters than parting with the best of the workers, and demoralising and disappointing the rest by an extended depletive emigration, a depletion of capital and value in an entire province?"

Potter, the chosen mouthpiece of the manufacturers, distinguishes two sorts of "machinery," each of which belongs to the capitalist, and of which one stands in his factory, the other at night-time and on Sundays is housed outside the factory, in cottages. The one is inanimate, the other living. The inanimate machinery not only wears out and depreciates from day to day, but a great part of it becomes so quickly superannuated, by constant technical progress, that it can be replaced with advantage by new machinery after a few months. The living machinery, on the contrary gets better the longer it lasts, and in proportion as the skill, handed from one generation to another, accumulates. *The Times* answered the cotton lord as follows:

"Mr. Edmund Potter is so impressed with the exceptional and supreme importance of the cotton masters that, in order to preserve this class and perpetuate their profession, he would keep half a million of the labouring class confined in a great moral workhouse against their' will. 'Is the trade worth retaining?' asks Mr. Potter. 'Certainly by all honest means it is,' we answer. 'Is it worth while keeping the machinery in order?' again asks Mr. Potter. Here we hesitate. By the 'machinery' Mr. Potter means the human machinery, for he goes on to protest that he does not mean to use them as an absolute property. We must confess that we do not think it 'worth while,' or even possible, to keep the human machinery in order—that is to shut it up and keep it oiled till it is wanted. Human machinery will rust under inaction, oil and rub it as you may. Moreover, the human machinery will, as we have just seen, get the steam up of its own accord, and burst or run amuck in our great towns. it might, as Mr. Potter says, require some time to reproduce the workers, but, having machinists and capitalists at hand, we could always find thrifty, hard, industrious men wherewith to improvise more master-manufacturers than we can ever want. Mr. Potter talks of the trade reviving 'in one, two, or three years,' and he asks us not 'to encourage or allow (!) the working power to emigrate.' [16] He says that it is very natural the workers should wish to emigrate; but he thinks that in spite of their desire, the nation ought to keep this half million of workers with their 700,000 dependents, shut up in the cotton districts; and as a necessary consequence, he must of course think that the nation ought to keep down their discontent by force, and sustain them by alms — and upon the chance that the cotton masters may some day want them.... The time is come when the great public opinion of these islands must operate to save this 'working power' from those who would deal with it as they would deal with iron, and coal, and cotton."

*The Times'* article was only a jeu d'esprit. The "great public opinion" was, in fact, of Mr. Potter's opinion, that the factory operatives are part of the movable fittings of a factory. Their emigration was prevented. They were locked up in that "moral workhouse," the cotton districts, and they form, as before, "the strength" of the cotton manufacturers of Lancashire.

Capitalist production, therefore, of itself reproduces the separation between labour-power and the means of labour. It thereby reproduces and perpetuates the condition for exploiting the labourer. It incessantly forces him to sell his labour-power in order to live, and enables the capitalist to purchase labour-power in order that he may enrich himself. [17] It is no longer a mere accident, that capitalist and labourer confront each other in the market as buyer and seller. It is the process itself that incessantly hurls back the labourer on to the market as a vendor of his labour-power, and that incessantly converts his own product into a means by which another man can purchase him. In reality, the labourer belongs to capital before he

has sold himself to capital. His economic bondage [18] is both brought about and concealed by the periodic sale of himself, by his change of masters, and by the oscillations in the market-price of labour-power. [19]

Capitalist production, therefore, under its aspect of a continuous connected process, of a process of reproduction, produces not only commodities, not only surplus-value, but it also produces and reproduces the capitalist relation; on the one side the capitalist, on the other the wage-labourer. [20]

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